

February 7, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Request of Dominion Energy South Carolina, Inc. to Decrease its
Rate Rider Related to Pension Costs from \$0.00033 to (\$0.00017)
per kilowatt hour
Docket No. 2020-____-E

(This filing includes a request for a decrease to the pension cost
component rider to retail rates.)

Dear Ms. Boyd:

By Order No. 2012-951, issued on December 20, 2012, in Docket No. 2012-218-E, the Public Service Commission of South Carolina (“Commission”) approved Dominion Energy South Carolina, Inc.’s (“DESC” or “Company”) Rider Related to Pension Costs (“Pension Rider”), which serves as the mechanism for DESC to recover its pension costs related to retail electric operations. The Pension Rider is subject to an annual true up depending on conditions in financial markets and other factors. Based upon the reasons set forth below, DESC seeks the Commission’s approval to decrease its Pension Rider from \$0.00033 to (\$0.00017) per kilowatt hour (“kWh”), which will be applicable to all DESC retail electric rate schedules.

In Order No. 2012-951, the Commission found that pension expenses “can vary significantly from year to year depending on conditions in financial markets and other factors.” *Id.* at p.38. The Commission also determined that “using a rate rider for recovery of pension expense would allow the Company to adjust its pension expense collections with an annual true-up.” *Id.* Since the last adjustment to the Company’s Pension Rider in 2017 (Docket No. 2017-56-E), the prior under-collected balance of pension costs has been eliminated and is currently in an over-collection position. Moreover, current actuarial estimates are reflecting a decrease in pension costs. If the currently approved Pension Rider is not reduced, then the Company projects there will be an over-collection of pension costs of approximately \$11 million as of April 2021.

(Continued . . .)

Exhibit No. 1, a copy of which is attached hereto, reflects the over-collection projections through April 2021, if no reduction of the Pension Rider is authorized.

In this docket, the Company is proposing to decrease the Pension Rider from \$0.00033 per kWh to (\$0.00017) per kWh, resulting in a reduction in the Pension Rider of \$0.00050 per kWh. Attached hereto as Exhibit No. 2 is a redline version of the revised Pension Rider reflecting the proposed decrease. Also attached hereto as Exhibit No. 3 is a clean version of the updated Pension Rider reflecting the proposed decrease. Decreasing the Pension Rider collections as set forth herein will result in a projected decrease in annual collections from DESC's customers of approximately \$11 million.

The Company maintains that publication of a notice is not necessary under either S.C. Code Ann. § 58-27-870(F) (2015) or Commission Order No. 2012-951; however, enclosed for the Commission's consideration is a Proposed Notice of Filing ("Notice"). If the Commission requires that the Company publish the Notice, then DESC respectfully requests that it be permitted to publish the Notice one time no later than March 9, 2020, in the following daily newspapers: The State (Columbia), The Post and Courier (Charleston), The Times and Democrat (Orangeburg), The Aiken Standard, and The Beaufort Gazette.

Based on the foregoing, DESC respectfully requests that the Commission review and approve, without notice and hearing, the attached updated Pension Rider reflecting a decrease of \$0.00050 per kWh. DESC further requests that the updated Pension Rider be effective for bills rendered on and after the first billing cycle of May 2020.

By copy of this letter, DESC is notifying the South Carolina Office of Regulatory Staff of the Company's request and is enclosing a certificate of service to that effect.

If you have any questions, please advise.

Very truly yours,



K. Chad Burgess

KCB/kms

Enclosures

cc: Jeffrey M. Nelson, Esquire

Becky Dover, Esquire

Carri Grube-Lybarker, Esquire

(all via electronic mail and U.S. First-Class Mail w/enclosures)

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF FILING

DOCKET NO. 2020-____-E

DOMINION ENERGY SOUTH CAROLINA, INC. – REQUEST TO DECREASE RATE RIDER RELATED TO PENSION COSTS FROM \$0.00033 TO (\$0.00017) PER KILOWATT HOUR

On February 7, 2020, Dominion Energy South Carolina, Inc. (“DESC” or “Company”), pursuant to Public Service Commission of South Carolina (“Commission”) Order No. 2012-951 issued in Docket No. 2012-218-E, requested that the Commission issue an order authorizing DESC to update its “Rider to Retail Rates – Pension Costs Component” (“Pension Rider”) to adjust the increment included in all retail electric rate schedules for the recovery of pension-related costs from \$0.00033 per kilowatt-hour to (\$0.00017) per kilowatt-hour, effective for bills rendered on and after the first billing cycle of May 2020.

A copy of the Company’s complete filing, as well as the proposed rider may be obtained from the Commission at the following address: Public Service Commission of South Carolina, Clerk’s Office, 101 Executive Center Drive, Columbia, South Carolina 29210. Additionally, the filing is available on the Commission’s website at www.psc.sc.gov and is available from the corporate office of Dominion Energy South Carolina, Inc. at 220 Operation Way, Cayce, South Carolina 29033.

Any person who wishes to participate in this matter as a party of record should file a Petition to Intervene in accordance with the Commission’s Rules of Practice and Procedure on or before **March 30, 2020**. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. *Please refer to Docket No. 2020-____-E.*

Any person who wishes to provide written comments to the Commission concerning the Petition may do so any time before **April 6, 2020**. Written comments should be sent to the Public Service Commission of South Carolina at the address below; the South Carolina Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and K. Chad Burgess, Director & Deputy General Counsel, Dominion Energy South Carolina, Inc., 220 Operation Way, Mail Code C222, Cayce, South Carolina 29033. *Please refer to Docket No. 2020-____-E.*

Persons seeking information about the Commission’s Rules of Practice and Procedure should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Clerk’s Office
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Dominion Energy South Carolina

Projection of Pension Rider Under/(Over) Recovery if No Changes Made

	Projected Rider Recovery	Projected Pension Costs	Under/(Over) Collection Balance
December 2019 {1}			(\$1,702,234)
January 2020	\$ 625,350	\$312,190	(\$2,015,394)
February 2020	\$ 550,506	(\$4,564)	(\$2,570,464)
March 2020	\$ 529,650	(\$4,564)	(\$3,104,678)
April 2020	\$ 508,992	(\$4,564)	(\$3,618,234)
May 2020	\$ 600,402	(\$4,564)	(\$4,223,200)
June 2020	\$ 682,539	(\$4,564)	(\$4,910,303)
July 2020	\$ 733,590	(\$4,564)	(\$5,648,457)
August 2020	\$ 714,021	(\$4,564)	(\$6,367,042)
September 2020	\$ 624,855	(\$4,564)	(\$6,996,461)
October 2020	\$ 534,270	(\$4,564)	(\$7,535,295)
November 2020	\$ 538,824	(\$4,564)	(\$8,078,683)
December 2020	\$ 595,749	(\$4,564)	(\$8,678,996)
January 2021	\$ 621,225	(\$4,564)	(\$9,304,785)
February 2021	\$ 554,862	(\$4,564)	(\$9,864,211)
March 2021	\$ 532,785	(\$4,564)	(\$10,401,560)
April 2021	\$ 521,268	(\$4,564)	(\$10,927,392)

Projection of Pension Rider Under/(Over) Recovery with May 2020 Update

Pension Component (per kWh)	Projected Rider Recovery	Projected Pension Costs	Under/(Over) Collection Balance
\$ 0.00033	\$625,350	\$312,190	(\$2,015,394)
\$ 0.00033	\$550,506	(\$4,564)	(\$2,570,464)
\$ 0.00033	\$529,650	(\$4,564)	(\$3,104,678)
\$ 0.00033	\$508,992	(\$4,564)	(\$3,618,234)
\$ (0.00017)	(\$309,298)	(\$4,564)	(\$3,313,500)
\$ (0.00017)	(\$351,611)	(\$4,564)	(\$2,966,453)
\$ (0.00017)	(\$377,910)	(\$4,564)	(\$2,593,107)
\$ (0.00017)	(\$367,829)	(\$4,564)	(\$2,229,842)
\$ (0.00017)	(\$321,895)	(\$4,564)	(\$1,912,511)
\$ (0.00017)	(\$275,230)	(\$4,564)	(\$1,641,845)
\$ (0.00017)	(\$277,576)	(\$4,564)	(\$1,368,833)
\$ (0.00017)	(\$306,901)	(\$4,564)	(\$1,066,496)
\$ (0.00017)	(\$320,025)	(\$4,564)	(\$751,035)
\$ (0.00017)	(\$285,838)	(\$4,564)	(\$469,761)
\$ (0.00017)	(\$274,465)	(\$4,564)	(\$199,860)
\$ (0.00017)	(\$268,532)	(\$4,564)	\$64,108

{1} Reflects actual overcollected balance as of December 31, 2019. All other amounts reflect projected activity and balances.

RIDER TO RETAIL RATES

PENSION COSTS COMPONENT

APPLICABILITY

Service supplied under the Company's retail electric rate schedules is subject to the approved Rider to Retail Rates - Pension Costs Component. The charge shown below is applicable to and a part of the Company's South Carolina retail electric rate schedules for the recovery of pension-related costs and is included in the monthly rate provision of the applicable schedule used in billing.

RIDER RELATED TO PENSION COSTS

The rate listed below is included in all retail electric rate schedule energy charges for the recovery of pension-related costs.

Increment Decrement included in all retail electric rate schedules	\$ 0.00033 per kWh
	\$ (0.00017) per kWh

EXHIBIT NO. 3

DOMINION ENERGY SOUTH CAROLINA

ELECTRICITY

RIDER TO RETAIL RATES

PENSION COSTS COMPONENT

APPLICABILITY

Service supplied under the Company's retail electric rate schedules is subject to the approved Rider to Retail Rates - Pension Costs Component. The charge shown below is applicable to and a part of the Company's South Carolina retail electric rate schedules for the recovery of pension-related costs and is included in the monthly rate provision of the applicable schedule used in billing.

RIDER RELATED TO PENSION COSTS

The rate listed below is included in all retail electric rate schedule energy charges for the recovery of pension-related costs.

Decrement included in all retail electric rate schedules

\$ (0.00017) per kWh

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2020-____-E

IN RE:

Request of Dominion Energy South)
Carolina, Inc. to Decrease its Rate Rider)
Related to Pension Costs from \$0.00033)
to (\$0.00017) per kilowatt hour)
(This filing includes a request for a decrease)
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retail rates.))
_____)

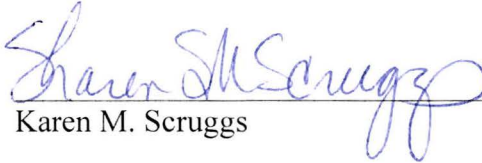
**CERTIFICATE
OF SERVICE**

This is the certify that I have caused to be served this day one (1) copy of
Dominion Energy South Carolina, Inc.'s **Request to Decrease its Rate Rider Related to
Pension Costs from \$0.00033 to (\$0.00017) per kilowatt hour** via electronic mail and
U.S. First-Class Mail to the person named below at the address set forth:

Jeffrey M. Nelson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201
jnelson@ors.sc.gov

Becky Dover, Esquire
S.C. Department of Consumer Affairs
PO Box 5757
Columbia, SC 29250
bdover@scconsumer.gov

Carri Grube-Lybarker, Esquire
S.C. Department of Consumer Affairs
PO Box 5757
Columbia, SC 29250
clybarker@scconsumer.gov


Karen M. Scruggs

Cayce, South Carolina

This 7th day of February 2020